

TENNESSEE REGULATORY AUTHORITY

Ron Jones, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Sara Kyle, Director



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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

December 9, 2005

Mr. Michael Miller, Vice-President
Tennessee American Water Company
P. O. Box 1906
Charleston, WV 25327

Re: Docket No. 03-00388

Dear Mr. Miller:

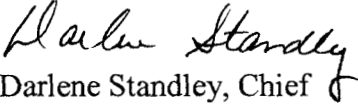
On October 31, 2005, the Authority issued its order in the above docket. The docket has been left open so that the Authority can address the accounting methodologies used to record the purchase transaction and the customer application fees. To enable the Authority to make its determination, we are requesting the following information:

1. Explain the Company's accounting treatment of the customer application fees that were approved in this docket. Provide the accounting entry that is made to record the receipt of these fees, including the account numbers.
2. Are these fees treated as deposits? If so, outline the terms of the deposits, including but not limited to:
 - a. Whether the deposits are refundable
 - b. If refundable, the conditions applicable to the refund
 - c. Whether interest is accrued on the refunds
 - d. If interest is accrued, what interest rate is applied.
3. Provide the accounting entry made to record the purchase of Suck Creek, including account numbers.
4. If an acquisition adjustment was recorded, explain the Company's proposed regulatory treatment of this acquisition adjustment.

It is requested that this information be provided no later than 2:00 P.M. on December 23, 2005, and that you reference Docket No. 03-00388 on the response. In accordance with TRA rules, submit either an original and thirteen (13) written copies of your response, or four (4) written copies and one (1) electronic version. Should you have questions regarding any item number

on the attached request, please contact Pat Murphy (extension 178) or Butch Phillips (extension 183) for clarification before responding.

Sincerely,


Darlene Standley, Chief
Utilities Division

pm05-67.TAWC